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		30 SEPT 86
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## Central Intelligence Agency



Washington, D. C. 20505

OCA 86-3232

29 SEP 1986

The Honorable Bill Chappell, Jr.  
Chairman  
Subcommittee on Defense  
Committee on Appropriations  
House of Representatives  
Washington, D. C. 20515

Dear Mr. Chairman:

Thank you for your letter of 13 August 1986, in which you express concern about perceived impediments to the flow of intelligence program information from industry officials to your Subcommittee, and suggest a new way of conducting business with industry on classified intelligence programs. I know that this response has been some time in coming, but because of the serious and complex nature of the issues you have raised I wanted to give it careful thought and attention. At the outset, let me assure you of my unequivocal and continuing commitment to work in partnership with your Subcommittee to achieve the most effective National Foreign Intelligence Program possible. Further, I believe that an exchange of information among the major participants in the budget process, including industry officials, is essential to making the partnership work.

As you note, it is our current policy to request industry officials involved with our classified programs to notify us if contact concerning these programs is contemplated with staff members of Congressional committees. This policy has been in place for many years. It is predicated on security concerns, especially our requirement that the industry official and Congressional staff possess the appropriate security clearances and, more importantly, the appropriate need-to-know.

Bill, let me try to explain it this way. All industry officials and Congressional staff dealing with our classified intelligence programs are expected to have appropriate security clearances. But this is only the beginning. Whereas the need-to-know of the Congress is broad, the need-to-know of industry officials is relatively narrow in that industry officials are not aware of the totality of the classified intelligence program on which they are working. This practice of compartmentation is by design, and we believe that for security reasons it is very important to keep it that way.

60-4

Accordingly, we require notification of an impending contact between industry officials and Congressional staff in order to assure that need-to-know principles are observed. In practice, notification often leads us to request that Congressional staff confine the discussion with industry officials to that small part of a classified intelligence program for which the industry official has a need-to-know. Without notification there is no way we can take this important security precaution. As far as my staff has been able to determine, we have never used notification to prevent an industry official from meeting with appropriate Congressional staff, and it is my intention to keep it that way.

We can point to a number of instances in which erosion of the need-to-know principle has led to the unnecessary spread of sensitive information and a concomitant increase in the probability or actuality of leaks or compromise. We in government and you in the Congress are constantly sensitive to the need for strict control of sensitive information; industry is sometimes less so. You may be interested to know that in the interest of security we even limit our own interaction with industry officials. For example, whenever I or my senior officers visit industrial facilities, we not only notify the facility in advance of our security clearances, but also remind them of the importance of the need-to-know principle with respect to the people meeting with us. Frankly, Bill, I am concerned that any change in these practices would send the wrong signal to our contractors.

Let me close with this observation. I have recently reminded my officers that notification of an impending contact between an industry official and Congressional staff does not imply prior constraint or interference in the exchange of information among participants who have a need-to-know. I encourage your staff to continue to work with us and to bring to my attention any instances of difficulty in obtaining access to information needed to perform the work of the Congress. I can assure you I will react promptly and vigorously.

Sincerely,

/s/ William J. Casey

William J. Casey  
Director of Central Intelligence

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